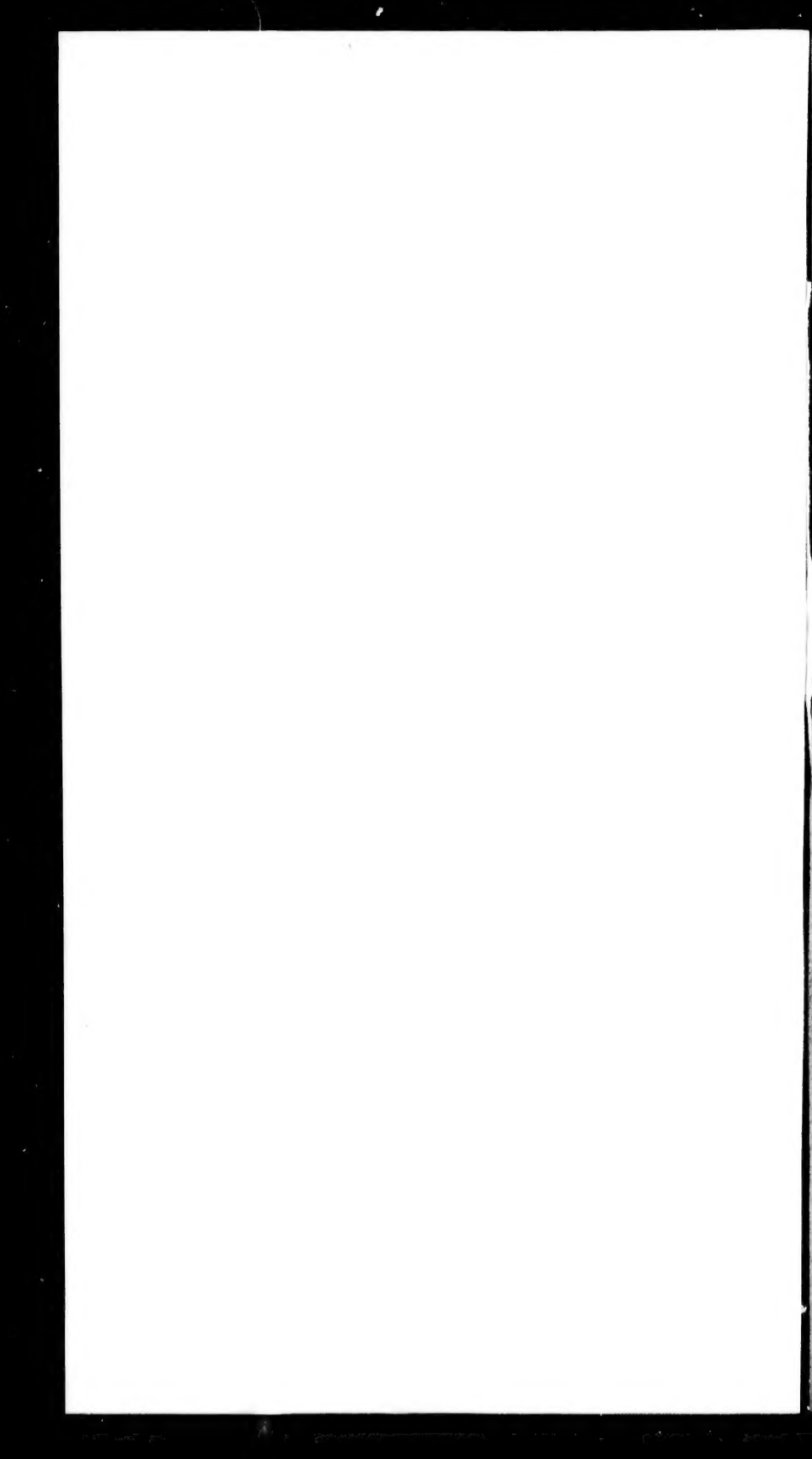

A

LECTURE

ON

LIFE ASSURANCE,

DELIVERED BEFORE THE MECHANICS' INSTITUTE OF HAMILTON, ON THE 5TH APRIL, 1848,

BY

HUGH C. BAKER, Esq.,

A MEMBER OF THE COMMITTEE OF THE INSTITUTE;

WITH

A SHORT ACCOUNT

OF THE

CANADA LIFE ASSURANCE COMPANY,

Established on the 21st August, 1847,

FOR THE THREEFOLD PURPOSE

OF MAKING THE KNOWLEDGE AND PRACTICE OF LIFE ASSURANCE, IN ITS VARIOUS BRANCHES, GENERAL AMONGST ALL CLASSES IN BRITISH NORTH AMERICA;

OF AFFORDING TO ALL RESIDENTS THEREIN THE OPPORTUNITY OF AVAILING THEMSELVES OF THESE IMPORTANT BENEFITS AT THE LOWEST COST COMPATIBLE WITH SAFETY, AND

OF RETAINING WITHIN THIS PROVINCE THE ACCUMULATIONS THUS MADE, TO THE EQUAL BENEFIT OF OUR COUNTRY, AND THE ASSURED.

HAMILTON:

1848.

L

DELIV
O

A MEM

CANA

OF MAKIN

OF AFFORD
T

OF RETAIN
TO

A

LECTURE

ON

LIFE ASSURANCE,

DELIVERED BEFORE THE MECHANICS' INSTITUTE OF HAMILTON, ON THE 5TH APRIL, 1848,

BY

HUGH C. BAKER, Esq.,

A MEMBER OF THE COMMITTEE OF THE INSTITUTE;

WITH

A SHORT ACCOUNT

OF THE

CANADA LIFE ASSURANCE COMPANY,

Established on the 21st August, 1847,

FOR THE THREEFOLD PURPOSE

OF MAKING THE KNOWLEDGE AND PRACTICE OF LIFE ASSURANCE, IN ITS VARIOUS BRANCHES, GENERAL AMONGST ALL CLASSES IN BRITISH NORTH AMERICA;

OF AFFORDING TO ALL RESIDENTS THEREIN THE OPPORTUNITY OF AVAILING THEMSELVES OF THESE IMPORTANT BENEFITS AT THE LOWEST COST COMPATIBLE WITH SAFETY, AND

OF RETAINING WITHIN THIS PROVINCE THE ACCUMULATIONS THUS MADE, TO THE EQUAL BENEFIT OF OUR COUNTRY, AND THE ASSURED.

HAMILTON:
1848.

LI

LADI
that I a
a subje
fear ver
In de
express
occupat
and bod
subject.
The
whether
branche
present
ment, th
and oth
that the
against,
nate ind
number
other w
made in
that ma
himself
perform
by asso
that we
portant
the read
All I

LECTURE

ON

LIFE ASSURANCE,

DELIVERED 5TH APRIL, 1848.

LADIES AND GENTLEMEN,—It is with no slight diffidence that I appear before you to read a Lecture upon so important a subject as Life Assurance, and one, at the same time, I fear very difficult to render interesting.

In deprecation of any censure you may feel inclined to express, I pray you to call to mind that unceasing daily occupation in no trifling official duty deprives both mind and body of the strength to do the proper justice to such a subject.

The system of Insurance, in whatever way applied, whether confined to the better known and more important branches of Marine, Fire and Life Insurance, or as in the present day extended to the loss of health or of employment, the fidelity of persons employed in situations of trust, and other minor purposes,—originated in the reflection that the losses occasioned by the occurrences thus insured against, although frequently most ruinous to the unfortunate individual owner, would, if divided amongst a large number of persons, be comparatively harmless; or, in other words, it is a result of a most important step we have made in civilization, a proof of the prevalence of the belief that man was not intended by his Maker to live only for himself, but that each one of us has his allotted duty to perform to the state, and to his neighbours; and that it is by associated action and combination amongst ourselves that we alone gain strength to carry out those more important social and political reforms which are far beyond the reach of individual effort.

All Insurance is based upon the law of average—the

beautiful science of Probabilities. Experience, for instance, tells us, that of the number of vessels navigating a particular course in the ocean, a certain proportion have been totally lost, or materially damaged; that some vessels are better prepared to combat the raging of the storm than others; that in any year the number of houses destroyed by fire bears a tolerably steady proportion to the whole number occupied; while some kinds of material are more liable to take fire than others, and some descriptions of goods, or even trades or occupations, are "hazardous," or "extra hazardous." These facts, and indeed almost every occurrence which we commonly attribute to *chance* or *accident*, are found to obey certain general laws; and, by means of this now much studied science, we are enabled to calculate the *probability*, and arrive at a sum which will sufficiently represent the risk of the occurrence of any one of these so called *chances*, to any given ship, or house, or human being, whatever may be the peculiar or extreme circumstances of the case.

The deep importance to the Commercial world of both Marine and Fire Insurance, it is not to-night my province to illustrate, beyond stating that the risks are universally viewed as imperatively demanding the protection of the Policy of the underwriter, or the Insurance Company. Public opinion loudly proclaims the folly and dishonesty of him who neglects to insure his property (whether houses, goods or ships), if at the same time he occupies such a position as will render him, in case of loss, unable to clear himself of his existing obligations to others. The proper caution, which, before the invention of Marine Insurance unhesitatingly refused all credit to the owner of a vessel at sea, is yet daily exhibited amongst us in the exactitude with which Fire or Marine Insurance is forced upon those who may ask for, or require, credit.

Life Assurance is of yet greater social importance, and though hitherto far less generally practised, is destined within no distant period to be the rule instead of the exception. To explain to you its principles will be my

endeavour this evening; and most truly do I regret that my ability to do so falls far short of the conviction I entertain of its comprehensive importance generally, and its peculiar application to my fellow-countrymen.

It may generally be stated to be a *contract*, by which a company of individuals, in consideration of a small annual payment, technically termed a premium, obligate themselves to pay at the death of the assured a fixed and far larger sum.

The earliest enactment respecting it, or indeed the first trace of any useful action upon the principles, is the Charter granted by Queen Anne in 1706 to the Amicable Society; yet this can hardly be allowed at the present day to have been more than a contributionship, or Benefit Society. It charged a uniform yearly sum of £5, without reference to age, and divided the whole receipts of each year amongst the representatives of the members who died within the same period.

At this time the life of a "healthful" man, at any age from 20 to 40, was valued at 7 years' purchase; while an aged, or sickly person, was taken at from 5 to 6 years.

The same erroneous system was in use until the establishment of the Equitable Society in 1762, when, for the first time, tables of mortality were employed, and graduated scales prepared for each age; but such was the doubt then existing, such the disinclination to depend much in so important an undertaking upon calculations however carefully deduced from the experience of the past, that the rates demanded by this Pioneer Society were double those of the present day; and yet, strange to tell, the law officers of the Crown refused the application for a Charter, upon the ground of insufficiency of premiums!

About this period there also existed numerous societies professing to guarantee handsome benefits, whether by a payment at death, or by an annuity to survivors, for but moderate charges. The gross errors upon which these societies were based, the utter ruin they were too sure to fall into, happily led a celebrated Mathematician, Dr.

Price, to examine carefully the then but little investigated theory of Annuities. He exposed the rapid approach of these companies towards ruin, and by his able and convincing publications paved the way for a material improvement in the system. The 'Equitable' Society invited his aid, and in 1786 a final adjustment of their scale of contribution was made; from that date this truly magnificent Institution has enjoyed an unexampled career of prosperity, until, at the present day, its accumulated Capital is estimated at over £10,000,000, Sterling. Still Life Assurance was but in its infancy; for at the end of the 18th century but eight companies had been established in England.

In 1815, however, aided by the calculation by Mr. Milne of the Sun Office of a new and more correct set of tables from the tables of mortality prepared with great care at Carlisle by Dr. Heysham, the practice of Life Assurance greatly increased, and the number of offices multiplied until it is believed that no less than 150 now exist in Great Britain.

In Scotland it may be said to date from 1815, in which year was commenced the "Scottish Widows Fund," a Society which has progressed with steady success, and has attained a fund of fully £2,000,000. About 15 other offices now exist within the limits of this portion of the Empire, and, though tardy in the establishment of a native office, Scotland has far outstripped all other countries in the general appreciation of the benefits of Life Assurance; it being ascertained that upwards of £1,000,000 Sterling is annually paid into the coffers of her Life Assurance Companies; a noble contribution for such a laudable purpose from a population of 2,629,000.

The year 1818 witnessed the introduction of the system into the United States, but with slight and languishing success until within the last four years; during which period, however, a very rapid advance has been made. 9 or 10 Companies have been formed, and the practice is becoming very general.

The Insurance may be of our e At di taken to amidst observa been ca putation living through the set reasona years. unless in the base ou May the scie one of the las may be 3,500 y Thes 698 w nearly ext tw increas We do of this ne of mongs ubseq 04. Not inserte

tle investigated
pid approach of
able and con-
a material im-
itable' Society
istment of their
t date this truly
xampled career
its accumulated
Sterling. Still
at the end of the
n established in
on by Mr. Milne
rect set of tables
th great care a
f Life Assurance
fices multiplied
50 now exist in
1815, in which
vs Fund," a Soci-
uccess, and has
t 15 other offices
n of the Empire,
f a native office,
countries in the
Life Assurance;
000,000 Sterling
Life Assurance
uch a laudable
on of the system
and languishing
s; during which
has been made,
d the practice is

The law of average, which applies equally to all Insurance, is peculiar in its connection with Life Assurance; being applied to ascertain the *time* at which death may be expected, not to the *chance*, as in other Insurance, of our escaping it altogether.

At different times, and in various places, care has been taken to observe the ages of all those who have died, from amidst a previously reckoned population; from these observations, tables, called "tables of mortality," have been calculated, and, hence is derived by arithmetical computation the average number of years which all those living at any specified age may be expected to live through; as for instance, taking the Carlisle tables, (being the set most frequently used,) 100 persons aged 29 may reasonably expect one with another to live through 3,500 years. This we learn from the experience of the past, and unless we have cause to suspect a tendency to a decrease in the duration of life, upon this estimate we may safely base our calculations for the future.

May we not without presumption go further,—and, taking the science of probabilities for our guide, allow that each one of this 100 has an equal chance of being the first, or the last, to be called away; that consequently each one may be said to have an expectation of the 100th. part of 3,500 years, or 35 years.

These tables teach us, that of 10,000 infants born, but 5698 will reach the age of 29, that of this number 56, or nearly 1 in the 100, may be expected to die within the next twelve months, and the proportion of deaths steadily increases until the last survivor attains the age of 104. We do not pretend to point out the *year* in which any one of this number will die, but we allow simply, that each one of the 5698 now alive has an equal chance to be amongst the number who will die in the first, or any subsequent year, or to be the one who will survive until 104.

NOTE.—For better illustration the following tables are inserted.

TABLES OF MORTALITY:

PREPARED BY MR. MILNE FROM THE REGISTE ACCO AT CARLISLE.

Age.	Number who attain each year of every 10,000 Born.	Number who die in the succeeding year.	Age.	Number who att'n each year of every 10,000 Born.	Number who die in the succeeding year.	Age.	Number who att'n each year of every 10,000 Born.	Num who in succ in ye
Born.	10,000	1539						
1	8461	682	36	5307	56	71	2277	13
2	7779	505	37	5251	57	72	2143	14
3	7274	276	38	5194	58	73	1997	15
4	6998	201	39	5136	61	74	1841	16
5	6797	121	40	5075	66	75	1675	16
6	6676	82	41	5009	69	76	1515	15
7	6594	58	42	4940	71	77	1359	14
8	6536	43	43	4869	71	78	1213	13
9	6493	33	44	4798	71	79	1081	12
10	6460	29	45	4727	70	80	953	11
11	6431	31	46	4657	69	81	837	11
12	6400	32	47	4588	67	82	725	10
13	6368	33	48	4521	63	83	623	9
14	6335	35	49	4458	61	84	529	8
15	6300	39	50	4397	59	85	445	7
16	6261	42	51	4338	62	86	367	7
17	6219	43	52	4276	65	87	296	6
18	6176	43	53	4211	68	88	232	5
19	6133	43	54	4143	70	89	181	3
20	6090	43	55	4073	73	90	142	3
21	6047	42	56	4000	76	91	105	3
22	6005	42	57	3924	82	92	75	2
23	5963	42	58	3842	93	93	54	1
24	5921	42	59	3749	106	94	40	1
25	5879	43	60	3643	122	95	30	
26	5836	43	61	3521	126	96	23	
27	5793	45	62	3395	127	97	18	
28	5748	50	63	3268	125	98	14	
29	5698	56	64	3143	125	99	11	
30	5642	57	65	3018	124	100	9	
31	5585	57	66	2894	123	101	7	
32	5528	56	67	2771	123	102	5	
33	5472	55	68	2648	123	103	3	
34	5417	55	69	2525	124	104	1	
35	5362	55	70	2401	124			

Age.	E ta in 10
At Birth	3
1	4
2	4
3	4
4	5
5	5
6	5
7	5
8	5
9	4
10	4
11	4
12	4
13	4
14	4
15	4
16	4
17	4
18	4
19	4
20	4

It is to a ill ar 100 e yea e pay crea A L ld as pos ese

EXPECTATION OF LIFE,

ACCORDING TO THE CARLISLE TABLES OF MORTALITY.

Age.	Expectation in years and 100ths.	Age.	Expectation in years and 100ths.	Age.	Expectation in years and 100ths.	Age.	Expectation in years and 100ths.	Age.	Expectation in years and 100ths.
At Birth	38.72	21	40.75	42	26.34	63	12.81	84	4.39
1	44.68	22	40.04	43	25.71	64	12.30	85	4.12
2	47.55	23	39.31	44	25.09	65	11.79	86	3.90
3	49 82	24	38.59	45	24.46	66	11.27	87	3.71
4	50.76	25	37.86	46	23.82	67	10.75	88	3.59
5	51.25	26	37.14	47	23.17	68	10.23	89	3.47
6	51.17	27	36.41	48	22.51	69	9.70	90	3.28
7	50.80	28	35.69	49	21.81	70	9.18	91	3.26
8	50.24	29	35.00	50	21.11	71	8.65	92	3.37
9	49.57	30	34.34	51	20.39	72	8.16	93	3.48
10	48.82	31	33.68	52	19.68	73	7.72	94	3.53
11	48.04	32	33.03	53	18.97	74	7.33	95	3.53
12	47.27	33	32.36	54	18.28	75	7.01	96	3.46
13	46.51	34	31.68	55	17.58	76	6.69	97	3.28
14	45.75	35	31.00	56	16.89	77	6.40	98	3.07
15	45.0	36	30.32	57	16.21	78	6.12	99	2.77
16	44.2	37	29.64	58	15.55	79	5.80	100	2.28
17	43.	38	28.96	59	14.92	80	5.51	101	1.79
18	42.57	39	28.28	60	14.34	81	5.21	102	1.30
19	42.17	40	27.61	61	13.82	82	4.93	103	0.83
20	41.46	41	26.97	62	13.31	83	4.65	104	0.50

It is further evident, that if each one of the 5698 pays to a common fund £1 at the beginning of a year, it will amount to a sum which will admit of the payment of £100 to the heirs of each of the 56 who may die during the year; and this can be continued year after year, though the payment must increase, in proportion to the annually increased chance of death.

A Life Assurance Company, may be said to proffer its aid as a Bank of Deposit, to receive these sums, and as the Depositors die, to pay the full share to their heirs; but as these Institutions generally profess to admit only healthy

lives, the yearly system just explained would entail a
annual examination, and all who became of impaire
health would be refused re-admission, and thus lose a
the prospective benefits of the practice. This difficult
has been overcome by the calculation of a sum, or premi
um, which, paid yearly throughout life and witho
alteration, is of equal value to the previously mentione
steadily increasing rate. Taking the same age for exam
ple, the average sum demanded by British Offices as a
even payment is £2 9 6, instead of a premium of £1 6
increasing yearly. Thus for the advantage of the certain
of continued Assurance, without re-examination, a perso
aged 29 pays a rate annually, which would not be equalle
by his yearly payment, (were the Assurance from year t
year) until he reached the age of 50, but the former pre
mium remains unincreased throughout life. The Com
pany thus receives an excess in the first portion of th
period, and retains it as a reserve fund to be employed b
them in adding to the yearly payment, when the tim
arrives that the risk of death in the year is more tha
premium of £2 9 6 would cover.

The accumulation of this reserve in the coffers of th
Company leads me to point out the other important featu
in the calculations of Life Assurance Companies.—Th
increase of money at compound interest.

It will be evident, that during the first half of the expe
tation of every Assurer, the Company will be in recei
of much more than it will require as his contributio
towards the amount of claims maturing,—the sums it wi
be called upon to pay, by reason of its peculiar princip
of equalization to the heirs of those who die,—and, that th
steady surplus of income continues for many years. Now
supposing no interest made, it would require a year
payment of £2 17 2 at the age of 29 to enable the Com
pany to pay £100 upon an average duration of life of 3
years, and this without any allowance for expenses
management; but, admitting an accumulation at 3½ p
cent compound interest, (the rate most generally obtain

would entail a
me of impaire
nd thus lose a
This difficult
a sum, or premi
ife and witho
iously mention
me age for exam
ish Offices as a
remium of £1 6
ge of the certain
nination, a perso
uld not be equall
rance from year t
ut the former pre
life. The Com
rst portion of th
to be employed b
t, when the tim
r is more tha
the coffers of th
r important featu
Companies.—Th
t.
t half of the exp
will be in recei
s his contributio
,—the sums it wi
peculiar princip
die,—and, that th
many years. Now
require a year
to enable the Com
uration of life of 3
e for expenses
mulation at 3½ p
generally obtain

British Companies,) the yearly payment would be reduced to £1 10.

I may explain, that, of the difference of 19s. 6d. between this sum and the £2 9 6 average charge, 6s. is occasioned by the tables being more correctly based upon calculations, not of the average expectation of life allotted to the man of 29, but of his chance of attaining each subsequent year of increased age, and of the relatively diminished cost to the Company of the sum assured, for every year the payment may be postponed; and 13s. 6d. is added to cover expenses of management, and contingencies growing out of the nature of the contract; though with a promise in most Companies, of its partial return in the shape of profits, or Bonus, if not required for such contingencies.

In the conduct of a business involving the future support of the most helpless of our fellow beings prudence is highly commendable. No honest individual could sanction the use of tables of rates of *barely* sufficient amount; fluctuations must be provided for, both in the mortality amongst the assured, and the rate of investment. This can most justly be attained by an addition to the rates, subject to any system of periodical return that may be agreed upon.

Life Assurance Companies are also subject to material risk from another branch of their theoretical dependence upon chance. The tables of mortality only say, that of 1000 aged 29 now alive, ten will die in the first year, and as many in each of the four or five succeeding years; and were Life Assurance Companies to issue policies for one invariable sum, they might safely depend upon this calculation; but one man requires to assure for £1000, just as much as another for £50, and yet, it would not be proper for the Company to make any difference in the per centage of charge. Still, of the 1000 death might call away a far larger proportion of the more heavily assured, and leave the £50 or £100 assurers to enjoy a long life, to the serious injury of the Company which has looked for an average decrement, not only of

the number, but of the amount assured. This evide e die
extra risk is most frequently guarded against, in the earli e ar
stage of an Assurance Company, by a prudent limit of th d w
sum at stake upon any one life, which may be graduall wou
enlarged, as the business of the Company increase is bo
Thus, an original limit of £500, or £1,000, may b y in
enlarged to £10,000, the highest amount, I believe, a rdly
existing office will accept upon one life. The Compan d th
is also obliged to provide a margin for the working of th culia
law of average, which, though perfectly accurate in th the t
mass, cannot with certainty be expected to be as correc rt of
when applied to the few lives that even the most exten is a l
sive Company must assure, at some particular ages. or he w

Let us consider the reasons which should lead us all t his
examine into the merits of Life Assurance, and its peculi erage
application to ourselves. ney

We are happily frequently reminded of the uncertain long
of life; we know that to-morrow *may* find some of thos ficien
now present stretched upon a dying couch, and that th ding
year can hardly be expected to pass into its grave, witho ile, i
having previously seen at least one of us followed to th e wil
silent tomb. *That one* may have a dear wife and infa death
children, who may perhaps be left in straitened circum The
stances, if not positive want. Let it be supposed that the
was granted to me to point him out, and say to him, th n im
for £2 4s., or £22, he can without delay secure th l sho
payment to his heirs, whenever he may die, of £100, o cor
£1,000—would he hesitate? And which of us can fe inte
secure? for our doom is certain, though it is not given sole
us to know the hour, or the day. Should we not feel th ts e
need of securing future support for our families, with fu
much care and exertion as we provide for their dai rtion
wants? nech

Few men set out in life with a deliberately forme porti
intention to spend the whole of their income year by yea po
we certainly almost always look forward to save somethi fide
annually for a favorite object. Whatever that object t b
Life Assurance will enable us to attain it, even shou ual

l. This evide e die within an hour. It says to the man of 29, name
inst, in the earli e amount you hope to save yearly, pay it to us,
udent limit of th d we will guarantee you, from to-day, the full sum
nay be gradual would increase to, were you to live 35 years. And
npany increase his boon is offered without heavy loss to any one; all
£1,000, may b y in, in the season of prosperity, a trifle which is
t, I believe, a rdly missed; these sums are faithfully accumulated.
. The Compan d the Company refunds to each one, when his own
he working of th culiar exigency may arrive, not the accumulations alone
accurate in t the trifles he may have deposited, but the proportional
l to be as correc rt of the past and future accumulated payments of all.
n the most exte is a lottery, in which there may be said to be no blanks:
icular ages. or he who dies early draws a valuable prize for the benefit
uld lead us all t his nearest and dearest, and he who survives the
ce, and its pecul erage term of years, is doubly compensated for the
ney loss it may have been to him, by the possession
of the uncertain long life, enabling him to earn for those dear ones a
find some of thos ficient support, and the constant protection of the policy
uch, and that th ding to the removal of all fear for their future wants;
o its grave, witho ile, if he has chosen a good office, each year he may
us followed to t e will materially increase the sum payable to his heirs
ar wife and infa death.
straitened circum The limits of one lecture will not allow me to enumer-
be supposed that the classes or individuals with whom Life Assurance
d say to him, th an imperative duty. In Canada, careful investigation
delay secure th l show that but very few are exempt. The rich man
y die, of £100, o contents himself with a life of ease, consuming alone
hich of us can fe interest of his accrued property, appears to me to be
it is not given sole exception.
uld we not feel t ts especial application is to all those whose present
r families, with future support is derived from the reward of personal
ide for their dai rtion, whether it be professional, mercantile, agricultural,
mechanical; and most clearly does this include the great
deliberately forme portion of our population. To all these, and to the few
ncome year by yea possess independent life incomes, it is, I say with
rd to save somethi fidence, AN ABSOLUTE DUTY, and should be hailed as a
ever that object t benevolent adaptation of the laws of average and
ain it, even shou ual aid.

To others who are equally industrious, but who hav
already accumulated some reserve which may be availab
for their heirs, it still offers material advantages, thoug
perhaps in a somewhat different shape.

To those who in dependence upon their future exertio
have entered into engagements which are beyond the
immediate means of settlement, it offers the opportuni
of relieving the *family* from all possible embarrassme
and the *estate*, perhaps, from material injury.

The reflection that under all circumstances, we hav
by a trifling present sacrifice secured that which will,
case of death, provide amply for those we may lea
behind, remove our property from otherwise ruino
encumbrance, or fully accomplish any other object
may have in view, induces feelings of quiet content, total
removing all that harrowing anxiety for the future, whic
while it troubles some at all times, gains in most of
redoubled strength at the approach of sickness, or on t
couch of death. This calmness of feeling is now genera
acknowledged to be an instrument in prolonging the life
the assured, estimated by some as equal to three or four yea
increased duration; and its peculiar efficacy when a se
ous illness has unnerved us, when the mind is doubly se
sitive, is admitted by all Physicians. I do but allude he
to the physical effects of Life Assurance, or its neglec
words are not given me to portray in sufficient vividne
the anguish a dying father must feel when the past is us
ered through his mind in its peculiar brightness, and
reflects that out of his superabundance he has failed, a
perhaps at no distant day, to do an act of justice a
humanity for those who have the strongest claims up
his affection.

And though to the widow and children of one who has he
high rank in our colonial society, the sudden descent fr
their accustomed comfort and even the enjoyment of t
luxuries of this life, to the bitter level of absolute wa
and perhaps the necessity of labouring in uncongen
occupations for their daily subsistence, must be almost t

sinful to contemplate, and in the strongest terms call upon the Husband or Father to Assure; yet we stop not here, we do not omit one grade or class in the application of the same arguments; we believe that a little reflection will satisfy the poorest amongst us, that at his death £50 or £100, or an annuity of £10 or £20 for his widow, would be cheaply purchased by setting aside a proportional part of his wages, or other income; less than 1s. a week will secure a Policy for £100.

To those who plead in answer to a friendly attempt to convince them of the necessity of Assurance, that it is hard to pay year after year for a prospective advantage, which can only mature for the benefit of their heirs; that it is in fact a poor speculation to enter into, where a man must live to make money by it, we would point out the suitableness of the system of "Endowment Assurance," or "Deferred Annuities;" by the former they can secure a fixed amount payable to themselves on their attaining a certain age, or to their representatives should they die earlier; by the latter they can in the days of health and strength lay by to purchase the guarantee of a Life Annuity, to commence upon their attaining any specified age, and to form a support when age and infirmity render laborious exertion difficult and uncertain.

While of one who may feel tempted to reply, that he can provide for his family much better by laying aside, and investing year after year the full amount of his savings, I would enquire how he can thus presume upon the continuance of his existence?—thus virtually say that he has a perfect assurance of length of days? But let him remember that even granting the certainty of a long life, more his payments made into a Life Assurance Company, they would be accumulated to better advantage than by himself; and, from the nature of the engagement on his part, would certainly be made with greater regularity than the mere *intention* to lay by would secure. An Assurer is justly said to have "acquired a species of property which he must naturally feel an interest to preserve, and thus his

"best energies become aroused, and a *sense of independence*—
"a better tone of feeling—habits of prudence and economy
"and all the incentives to general moral improvement ar
"established"

The Earl of Roseberry has correctly observed, "that th
"practice has the peculiar advantage of enabling the mo
"affluent to accomplish a great and important saving f
"their families *through the medium of a positive expenditur*
"The ultimate object in view might be partially accom
'plished by laying the amount of such savings aside, an
"allowing them to accumulate; but the great advantage
"an Institution of this kind is, that while it accomplishes th
"same object much more effectually and immediately,
"withdraws no portion of capital from circulation, and com
"pletely obviates all those baneful evils into which a *hab*
"*of saving* is apt to degenerate; for such a habit, althou
"originating in proper and legitimate motives, not unfr
"quently ends in debasing the mind to a disposition
"avaricious hoarding."

There are many other circumstances in which Li
Assurance becomes equally useful.

By "Survivorship Annuities," we can secure a life pr
vision for a wife, or any other person, who may by
death be deprived of support; or by "Survivorsh
Assurance" a sum of money can be secured to another
a similar event, the cost being much reduced by the chan
of the prior death of the nominee.

A party who is to come into possession of property at t
death of another, *provided he outlives him*, can secure th
value of the sum to his family, should he die first, by
assurance of his own life against the other.

Trustees under a marriage settlement can thus safe
allow the husband the use in his business of two-thirds of h
wife's money, provided they retain the remaining third
interest, to pay the premium for a life policy, to cover t
sum loaned.

Parents can by small yearly payments secure "Endow
ments" for their children, payable on attaining any nom

ted age; to aid in starting them in life, or in marriage rtions for daughters.

A Creditor who has reason to suppose that his ultimate yment mainly depends upon the continued life of his btor, can by a "temporary Assurance," secure the full ount of the debt, should the death occur.

The borrower, whether upon real estate by mortgage, in the usual course of business, should avail himself of s opportunity of providing the ready cash to free his perty at death from all pecuniary liability. While, if has borrowed upon mortgage, with an agreement to the sum by yearly instalments, he can by "Decreasing surance," secure the completion of his payments after th at an almost nominal cost. In this respect, Life surance offers great advantages to the borrowers from numerous Building Societies.

It offers to capitalists a means of securing any principal y may feel disposed to lay out in the purchase of Redeemable Annuities," secured upon real estate; thus a simple, and quite legal manner, defeating the intention ur Usury Laws.

An elderly person, without family, can by "Annuity" terially increase his income for the remainder of his .

Trustees can secure themselves for advances made to nors.

Young men commencing business, and requiring credit n others to enable them to succeed, will find that credit nted with increased readiness, if they take out and e with the creditor as collateral security, a Policy of urance, to provide against the chances of death in the ier years.

ur wealthiest merchants would only act with com- ndable prudence, were they to Assure their lives, and e the Policy in trust for the benefit of their families; removing those dear ones from the double risk of a mercial crisis, and a premature death.

A parent, who has reason to believe that each year he may live will render the future wants of his family of less amount, can by "Decreasing Assurance" secure a sum gradually reducing for each succeeding year.

A father, about to entrust a beloved daughter to a husband's care, is surely called upon to see that some such provision for the future is guaranteed and settled upon her, and, especially so, if the intended son-in-law has only his own exertions to depend upon.

There are also other examples of its most material benefit in our mother country. The present possessor of a splendid, but entailed estate, can best provide for his younger children by Assurance. A memorable case has been reported in Scotland:—A nobleman, with eleven children, who assured his life for £100,000, and died within six months; thus leaving £10,000 for each of his younger children. Again, very many properties are held upon leases for lives, which are renewable upon payment of a fine. This fine being payable at the death of the nominated person, or persons, may be required at a most inconvenient time, and prudence teaches the tenant to assure the *life*, and thus change a heavy payment of uncertain date, into its equivalent yearly value.

This great variety of application can be further extended to two or more lives. It in fact includes every imaginable case in which a pecuniary transaction is affected by the contingency of the death of either one, or any number of persons; and remembering that an equal variety exists in the different modes of paying the premium (generally optional with the Assurer), you will not doubt me, when I tell you that formula for computation have been prepared for 400 cases.

Let us review for a moment the objections which have been, or may be, brought against the practice. First and most important, is the assertion that we are guilty of presumption, and by its means elect to depend upon mere human invention for the support of the widow and the fatherless, rather than upon Him who has promised "to

relieve the fatherless and widow." Most unwilling should I be to advocate any scheme, however seemingly perfect, which could be so viewed. As more to the point than anything I could say, I will read you the opinions of divines of the Church of Scotland, delivered at the general meetings of Scottish Life Assurance Companies.

The Rev. James Robertson, of Portsburgh, in moving a vote of thanks to the Directors of the Scottish Provident Institution, said:—"I regard this Institution as in unison "with the arrangements, nay, as a following out of the "dictates of an all-wise, over-ruling Providence. Many, "I doubt not, have already been taught to regard it as such, "who, on the death of a parent, instead of being reduced "to destitution, or obliged to appeal to the benevolence of "the public, have found themselves in circumstances to "obtain, as a right, what they must otherwise have received "as a charity. Such persons, if rightly disposed, would "thank God that such an Institution as this existed, and "would esteem it a kind Providence that led their deceased "parent to connect himself with it, and thus secure for "them an interest in its provisions." * * * * * "I feel it pleasant to be associated with men who are "naturally led to take an interest, so far, in one another's "welfare. For my part, I cannot pass a member of the "Scottish Provident on the streets, without almost involun-"tarily wishing him 'a sound mind in a sound body,' "and that he may live happily and usefully, and, if not "as long as Methuselah, yet aye and until the amount of "his contributions has greatly exceeded the sum in his "policy."

The Rev. J. G. Lorimer, of Glasgow, in seconding a vote of thanks to the Office Bearers of the "Scottish Widows Fund," said:—"The time was when Life In-"surance was thought a thing of doubtful propriety. It "looked like speculating upon life and death; moreover, "it was considered not entirely consistent with an unre-"served reliance upon the providence of God. He rejoiced "that that prejudice had, to a great extent, disappeared.

"At the same time, he had little doubt that this, and "similar Associations, lost the benefit to be derived from "the insurance of some good lives—the lives of excellent "men—from lingering remains of this misapprehension. "For himself, had he thought that there were any grounds "for such opinions, he of course could never have been a "member of this or any similar Institution. So far from "entertaining this idea, however, he thought, upon re- "flection, it would appear that there was not only no "inconsistency between Life Assurance and the principles "of enlightened religion, but that there was a beautiful "harmony between the principles of true Christianity and "those which united them together as a Society. For "example, true Christianity required its disciples to be "self-denied, and Life Insurance taught the same lesson. "True Christianity taught them to be frugal, and by a "happy necessity, Life Insurance taught many to be "frugal too. True Christianity taught them to have a "warm regard to the welfare of those who had special "claims upon them—the claims of natural relationship; "and Life Insurance also taught them this duty. They "had high authority for the statement, that if a man pro- "vided not for his own, and for those of his own household, "he had denied the faith, and was worse than an Infidel; "and Life Insurance, it humbly appeared to him, was in "full consistency with, and even supported, that Scriptural "statement. Moreover, they knew that true Christianity "required that they should not only weep with those who "wept, but should rejoice with those who rejoiced; and he "was persuaded that any one who listened to the state- "ments of the Report, and heard of the immense sums of "money which had been expended since the institution of "this society upon the surviving families and relatives of "those who had been insured, could not doubt that a vast "amount of good must have been, under God, accomplished "in this way,—good, the remembrance of which might "well fill them with sympathizing gratitude and joy. "While Life Insurance was in harmony with important

"moral and Christian virtues, it was fitted to check evils "which were likely to arise even among the most con- "scientious in its absence. In defect of Life Insurance, a "good man who feels bound and who desires to make "some suitable provision for his family, has no resource "but to accumulate during his life-time. But there is no "small danger of this passing into a selfish and hoarding "habit, which may come to affect his general character. "Hence, one advantage of Life Insurance. It is a defence "against unamiable and unchristian dispositions. Nay, "the source of danger is converted into a means of good. "The contributing to an object essentially benevolent "during the life-time is fitted to cultivate the more amiable "and generous dispositions."

Again, the Rev. Mr. Robertson, of the New Greyfriars, in moving the adoption of the Report of the Scottish Provident Institution, said:—"The objections which have "sometimes been urged against such a provident care for "the welfare of those who depend upon us, as if it implied "a want of confidence in the providential care of Heaven, "appear to me so exquisitely silly as to require no answer; "and, without hesitation, I place them in the same cate- "gory with the objections of that respectable but over- "scrupulous old lady, Mause Headrigg, against the use of "the fanners or winnowing machine, which she con- "sidered argued a profane contempt of the free wind of "Heaven which blew over the shieling hill. I conceive, "indeed, that such institutions are to be regarded in the "light of great public blessings, and deserve the support "and encouragement of all well-wishers of the community, "whether lay or clerical. The benefits resulting from "them appear to me so clear, that I cannot help thinking "that any man who has it in his power to provide in this "way for the future comfort and independence of his "family, after the hand that laboured, and the head that "thought for them, and the heart that loved them, are cold "in the grave, must have either a very indifferent heart or "a very indifferent head. It appears to me that such

"institutions are the practical development of some of the "finest and fairest affections of human nature; and I "maintain that, in becoming a member of this society "myself, and in recommending it to others, as I most "cordially do, I am acting according to the precepts and "the spirit of that Gospel which enjoins, as a great moral "and religious obligation, the duty of providing 'for our "own, and especially for those of our own house.'"

Another very frequent objection is an alleged want of means; here I again prefer to give you apposite quotations: "We believe there can be no obstacle which is apt to "appear more real than this, where an income is at all "limited; and yet it is easy to show that no obstacle could "be more ideal. It will readily be acknowledged by "everybody who has an income at all, that there must be "some who have smaller incomes. Say, for instance, "that any man has £400 per annum; he cannot doubt that "there are some who have only £350. Now, if these "persons live on £350, why may he not do so too, sparing "the odd £50 as a deposit for Life Assurance. In like "manner he who has £200 may live as men do who have "only £175, and devote the remaining £25 to have a sum "assured upon his life. It may require an effort to accom- "plish this; but is not the object worthy of an effort? And "can any man be held as honest, or any way good, who "will not make such an effort rather than be always liable "to the risk of leaving in beggary the beings whom he "most cherishes on earth, and for whose support he alone "is responsible?"*

And again, "when it is considered, indeed, by what "small increments of saving the means of insurance may "be obtained, it is surprising that any instance should "exist in which it is not effected—a few tavern visits less, "an occasional mislaying of the key of the wine cellar, "a tight stopper in the spirit bottle, a water-side visit put "off till next year, a party omitted to be given, a slight

* Chambers' Edinburgh Journal, No. 373.

"forgetfulness of the length of time a coat or a silk gown "has been in wear, and a score other things of the kind, "present an ample variety of sources for furnishing the "small annual sum requisite to place a family in security. "Many men, who have a strong perception of the impor- "tance of insuring their lives, unfortunately neglect to do "so, from the belief that in a little time they will be in "a better position to do so—next year trade may be more "brisk, or an official salary may be increased, or an old "aunt may die—but next year brings with it its own "necessities: and even if it did not, what peril is encoun- "tered in the delay? It should be borne in mind, that "people can only insure when they are in the most perfect "state of health—a whitened tongue, or a quickened pulse, "find no passport of admission to a Life Office; and who "shall say he is secure for a single hour from some "derangement of system that shall bring these symptoms "upon him? What anxiety must he who is waiting for "the proper moment to insure sustain at every incipient "approach of illness? The spasm he feels may be the "herald of cholera—the sudden ache in the temple may "be the courier of death." *

There are some again who call Life Assurance a speculation. I would ask them, who may be said to speculate the most? He who cautiously provides, year after year, that trifling premium which ensures at his death as much temporal support for his bereaved ones, as he could hope to realize by the savings of a long and active life, or he, who stakes all this upon so great an uncertainty as his own life?

I will now endeavor to show how these principles apply to our own country.

Although the value of life has been carefully ascertained in England, no approximation has as yet been made in Canada, other than the calculations of the comparative health of British troops quartered in the wide-spread

* The Post Magazine Almanac.

Colonies of the Empire. This appears very favorable to our climate, but must be considered far too partial to base exact calculations upon. Several of the British offices have been induced, by even this slight information, to offer to assure lives in Canada, though some of them have made the want of better data a pretext for a special increase of their English rates.

I believe that the establishment of Agencies in this Province, by British Companies, has only taken place within the past ten years; and while we were without a local or native Institution, they were gladly welcomed by the few amongst us who had become aware of the importance of the practice. The business these Agencies have attained, and the assurances effected in Great Britain by parties now resident in Canada, may be estimated at £300,000, involving a drain of at least £10,000 yearly, from the limited means of this Colony.

Many circumstances have combined to favor, or induce, the establishment of a Provincial Company. You have had the great want of capital amongst us, which is peculiar to all new countries, forcibly illustrated by the honorable and learned gentleman who so ably introduced this course of lectures.* Is it not one strong argument, therefore, to aid in damming up one of the channels through which the scanty capital of Canadians is flowing in an increasing stream, to irrigate the already bountifully supplied fields of our mother land? It has been further argued, and with truth, that the existence in our midst of a Provincial Institution, wholly managed by residents of the Province, with its entire machinery exposed to watchful supervision and control by those who may become interested, is well calculated to lead ten times, or even one hundred times, the number of persons, to examine into the truly benevolent character of such Institutions, and to share in their advantages. Many other reasons have been, from time to time, urged in favor of such a project, to which I need

*The Hon. R. B. Sullivan.

not now allude; but I will turn to the most important argument, at least in a pecuniary sense, and I believe I may say a chief argument of the projectors.

It is well known that in a new country capital is ever greatly in demand, and that the general tendency of the inhabitants is to accumulate fixed propetry, trusting chiefly to money borrowed from older and comparatively wealthier countries, for the floating capital employed in the domestic exchanges, and other daily wants of the community. In this stage, they are not only willing but able to pay an enhanced rate of interest sufficiently high to induce the owners of capital to transfer it from their possession to another, and, perhaps, far distant country. Canada, we all know, forms no exception to this general rule. Here money bears a value relatively far higher than in our mother land; and our facility for its profitable employment is such, that were it not for our antiquated and onerous usury laws, we should be able to offer for its use a rate which would tempt a much more generous supply from the eastward, of this necessary ingredient in agricultural and commercial advancement.

In England, the Actuary of a Life Assurance Company, when preparing tables of premiums, cannot prudently make use of a higher rate of accumulation than 3½ per cent., compound interest; in this Province, we can safely take 6 per cent.; for, though we are bound to remember that the calculations of a Life Assurance Company must extend over more than half a century, still we may surely reckon, that taking one year with another 6 per cent. may be steadily realized,—for Companies of this description are well known to possess peculiar advantages in the investment of their money, always commanding the best rate of interest the market affords.

Admitting then, that 6 per cent. is not too high an estimate, let us examine what reduction of premium it will justify. I will again take the age of 29, with an expectation of 35 years. I find that the yearly payment which will in 35 years' constant accumulation at 6 per cent.,

compound interest, reach the sum of £100, is 17s. 11d., or 40 per cent. less than the £1 10s. that I have already stated as the yearly sum necessary to attain a similar end with only 3½ per cent., compound interest.

This being the base of the calculations of Life Assurance Companies, it follows, that with a simliar rate of mortality, and a corresponding per centage for expenses of management, a Provincial office, investing its funds carefully at 6 per cent., can make a reduction in its tables of premiums of fully 40 per cent.—that it can in fact promise to the Canadian, for a yearly payment of £12, as large an assurance as a British office can guarantee for £20; or it can grant a policy for £1000, at the same cost to the assurer as a British Company can one of £600.

But, as I have already stated, prudence is in so important an undertaking truly praiseworthy; and, therefore, until we have better reason to feel sure that the value of life in Canada *is equal* to that of our mother land, it is safer not to make so great a reduction; this has been the system adopted with, I trust I may say, proper caution, by the lately established Canada Life Assurance Company. Its lowest tables will be found on comparison about 15 per cent. lower than the average rates of the more modern British offices. To those, however, who believe with me that the high rate of investment in Canada will eventually admit of so great a reduction as 40 per cent., it offers another table of premiums, higher in immediate cost, but with the promise that all who assure according to that scale will yearly receive three-fourths of the actual profit thereby realized, thus equitably returning to them all the excess which prudence instructs the Company to charge at the beginning.

Professor De Morgan, in his valuable "Treatise on Probabilities," shows, not only the advantage that a Life Assurance Company has by its control of large sums of money, (thus being always ready to enter into the best investments which may offer) but that, in practice, no delay exists in the increase of its funds at compound interest; as it only

requires care so to regulate the receipts and payments that the premiums received shall carry interest from the day of deposit. This gives a Company so much of the character of a Savings' Bank, that a very strong inducement is held out to all young men to take out Policies. Most of them hope to escape, ere long, from the solitary life of a bachelor; and should they die before marriage, few of them will be found without a mother, or a sister, to be made more comfortable by the amount of the Policy. Under no circumstances need a young man heistate. His money will be carefully accumulated at a better rate than he could hope to secure for himself,—the yearly premium will be smaller the earlier he begins, and he runs no risk of impaired health interfering to prevent his Assurance, when the new ties of a wife and children proclaim its prudence; while, if he has made a judicious selection of a Company, he can retire at any time, with either the full value in cash, or an equitable equivalent for his past payments in a new Policy payable without further call upon him.

Life Assurance Companies are divided into three classes.

In the "Proprietary," there is generally a large subscribed Capital; an absolute contract is made between the Company and the Assured, and all the profits are divided amongst the Shareholders. As the nature of the risk is now acknowledged to be one, which does not require the security of a large subscribed Capital, this system cannot be recommended to any intending Assurers, and for many years no new Companies have been established in accordance with it.

The "Mutual" system, on the other hand, returns to the Assured all the surplus of receipts; after deducting the losses, a sufficient reserve for the increased value of risks running, and the expenses of management; the advocates of this system base their arguments upon the acknowledged fact, that with a sufficient extent of business, and prudent management, *no Capital* is really needed to render such a Society successful; consequently the absence of

such a Capital, with its just claims to remuneration, leaves a large surplus to be divided amongst those, to whom it undoubtedly in equity appertains; yet the past has shown that a material risk is run by such Societies at their establishment; and that, to be prepared to meet peculiar exegencies, a moderate Capital, or guarantee Fund, is in the earlier stage a great safeguard. This system (the Mutual) is the one so successfully adopted by the Pioneer Assurance Society, the truly Mammoth "Equitable," and is at present gaining ground in England, Scotland, and the United States.

The third class is the "Mixed," and combines the stability of the first with the equitable arrangements of the second—a Capital is subscribed, and thus absolute security in every contingency is guaranteed to the assured; while the Shareholders reserve for their remuneration only a small portion of the accruing profits, accounting to the assured for the surplus in a similar manner to the Mutual Societies: in this class appear the great majority of the Companies now existing in Great Britain.

An endeavour was made to obtain a Charter for a Provincial office upon the Mutual system, as best suited to the circumstances of the people; but it was defeated in the Legislative Council, partly from a want of acquaintance with the invariable measure of success which has hitherto attended all the Mutual Life Assurance Societies at home, and partly in the belief, that the system, though good in Great Britain, was not suited to Canada in its present circumstances. Its projectors were thus compelled to unite themselves together upon the mixed system, or 3rd class; though, so that as little objection as possible should be made upon the score of profits abstracted to remunerate Capital needlessly subscribed, the amount has been limited to £50,000—a sum, ample for every real or imaginary want, though it may appear small when compared with the immense Capitals of some of the British offices.

Having I trust clearly portrayed the prudence in all, and the imperative duty in most of us, of effecting assurances

in proportion to our respective means; and having further explained to you the peculiar advantages of a Provincial Company; may I not fairly urge each one of you, to examine whether it is not applicable to himself. I sincerely believe that but very few of the inhabitants of Canada can say that they will not derive a peculiar and most important benefit from Life Assurance; I do not confine this to any one class, but believe it is as applicable to the poorest mechanic, or laborer, as to the recipient of a handsome official salary,—may I not further impress upon you the social duty of pointing out its advantages to those whom you may see neglecting so important an aid, and of using such influence as you may be gifted with, in urging all to whom it will be a real blessing to partake thereof without delay. Be sure, that the time will come when such friendly efforts will be gratefully remembered. Is not the Provincial Press also called upon to aid in awakening the Canadian public to benefits so material, and yet so generally unknown amongst us.

Beware of procrastination, nothing can be more dangerous, many of us can point out most melancholy instances of this fault. Our own Provincial Company in its young career has had one case quite to the point. A professional gentleman, who after some consideration called at one of its agencies for the necessary papers to prepare an application, on the same day was seized with a disease which shortly proved fatal, and his family failed to reap the benefit he had at last *too late* determined to secure.

Let no one keep back from the fear of loss arising from a temporary inability to continue his payments; for a policy once commenced is available as a security for money; and in many offices very equitable rules are made to meet such difficulties. Let no one ever bring forward the present scarcity of money, as a sufficient reason for delay; let him examine the small present cost it will be to him to assure, either upon the *half-credit system*, or in *quarterly payments*,—at the age of twenty-five, £500 can be secured by by the former, at a half-yearly outlay of £2 7s. 11d.; and

by the latter, at a cost every three months of £2 5s., or but 1s. 10d. and 3s. 6d. a week.

The fear that I have already exhausted your patience leads me merely to name a few of the points which I have omitted—such as the great national benefit arising from the accumulation of the smallest savings, to be instantly converted into productive Capital, a description of the different methods in which the premiums can be paid, an explanation of the different systems of division of the profits, and their return to the Assured, or his representatives, a detail of the arguments, which show the great moral influence of Life Assurance individually, and, if generally adopted, upon society at large; as also an explanation of its wide spread application, by means of examples which have been collected from the records of different Companies; and last, though not least, the duty of the ladies of a family, to encourage that household economy which Life Assurance may render necessary, remembering that no selfish feeling has induced the husband, or father, secure to this protection.

To conclude, I can personally bear testimony to the comfort of Life Assurance, a comfort I have enjoyed for upwards of two years, and which thrice the cost would not, during that period, have tempted me to resign; and much shall I rejoice, if I shall have succeeded in imparting to you, in some degree, my own deep sense of the infinite value of such truly admirable Societies. That they will succeed in this my adopted land, I cannot for a moment doubt; originating in the purest motives of humanity, based upon the surest calculations, and conducted upon the most impartial principles of equity, they must continue to run a triumphant course, lessening the sum of human misery, and exerting a healthy moral influence wherever they have been successfully established.

THE

CANADA

LIFE ASSURANCE COMPANY.

CAPITAL. £50,000.

HUGH C. BAKER, OF HAMILTON, PRESIDENT.

JOHN YOUNG, OF HAMILTON, VICE PRESIDENT.

Board of Directors:

BOULTON, THE HON. G. S.	BAKER, HUGH C.
DAVIDSON, JOHN	DUGGAN, RICHARD O.
KERR, ARCHIBALD	GUNN, DANIEL C.
KERR, SAMUEL	McLAREN, WM. P.
OSBORNE, JAMES	MACNAB, SIR A. N.
FERGUSSON, THE HON. ADAM	O'REILLY, MILES
HATT, JOHN O.	WETENHALL, JOHN
MACNAB, DANIEL	STREET, RICHARD P.
MERRITT, NEHEMIAH	YOUNG, JOHN
TIFFANY, GEO. S.	THOMAS, E. C.

Trustees:

HUGH C. BAKER, JOHN YOUNG, ARCHIBALD KERR,
E. C. THOMAS, GEO. S. TIFFANY.

BANKERS—THE BANK OF MONTREAL.

SECRETARY—THOMAS M. SIMONS.

PHYSICIANS—G. O'REILLY AND W. G. DICKINSON.

SOLICITORS—BURTON & SADLEIR.

OFFICES—38 KING STREET, HAMILTON.

Agents and Medical Referees already appointed.

General Agent—GEO. WM. BAKER, Jr.

Brantford, ...	WM. MUIRHEAD, .	Dr. F. W. KEAST.
Cobourg, ...	GEO. M. GOODEVE, .	Dr. T. HOLYWELL.
Colborne, ...	ROBT. M. BOUCHER,	
Cornwall, ...	WM. MATTICE, . . .	Dr. DICKENSON.
Dundas, ...	T. H. McKENZIE, . .	Dr. JAS. HAMILTON.
Galt, ...	JOHN BATTERS, . .	Dr. THOS. SEAGRAM
Guelph, ...	T. SANDILANDS, . .	
Ingersoll, ...	THOS. HOLCROFT, .	
Kingston, ...	G. A. MAILLEUE, . .	
London, ...	GEO. SCOTT, ...	Dr. A. ANDERSON.
Montreal, ...	F. A. WILLSON, . .	Dr. S. C. SEWELL.
Paris, ...	DAVID BUCHAN, . .	Dr. A. BOSWORTH.
Port Hope, ...	FRANCIS EVATT, .	Dr. W. H. EVATT.
Port Sarnia, ...	MALC'M CAMERON,	
Peterborough, ...	ROB'T NICHOLLS, .	
Quebec, ...	WELCH & DAVIES,	Dr. J. MORRIN.
St. Johns, N. Brunswick,	CHAS. MERRITT, . .	
Simcoe, ...	R. NICHOLLS, ...	
Toronto, ...	E. BRADBURNE, . .	Dr. GEO. HERRICK.
Woodstock, ...	WM. LAPENOTIERE,	Dr. S. J. STRATFORD.
St. Catharines,	LACHLAN BELL, . .	Dr. WM. FERRIS.
Port Robinson,		Dr. D. CAMPBELL.
Niagara,		Dr. H'Y MELVILLE.
Drummondville and Chippewa,		Dr. F. C. MEWBURN.
Thorold,		Dr. HENRY ROLLS.

y appointed.

R, JR.
F. W. KEAST.
T. HOLYWELL.

DICKENSON.
JAS. HAMILTON.
THOS. SEAGRAM

A. ANDERSON.
S. C. SEWELL.
A. BOSWORTH.
W. H. EVATT.

J. MORRIN.

GEO. HERRICK.
S. J. STRATFORD.
WM. FERRIS.
D. CAMPBELL.
H'Y MELVILLE.

F. C. MEWBURN.
HENRY ROLLS.

THE

CANADA LIFE ASSURANCE COMPANY.

FORMATION OF THE COMPANY.

This Company was established at a meeting called by public notice, and held in the City of Hamilton, on the 21st August, 1847; the Hon. Adam Fergusson, of Woodhill, in the Chair.

The arguments employed upon that occasion exhibited the great moral and social benefits of Life Assurance, and the little use made of them in this Province, in some degree arising from an opinion that the rate of interest in Canada is sufficiently high to justify a dependence upon individual accumulation, but in a much greater degree from the general want of information upon the subject.

From the relative proportion of Life Assurance Companies and population in England and Scotland, and the amount of business already attained in British North America by British Companies, it was considered that, provided great economy was practised, there was a field of sufficient extent and promise to warrant the establishment of a Provincial Office; that such an office once established would necessarily tend to the greater diffusion of the knowledge of Life Assurance, its system and beneficial aim, and consequently encourage a large number of the inhabitants to avail themselves of its peculiar advantages,—more especially so, when it became known that the promoters of the undertaking aimed at preserving for investment within the Province the premiums thus accumulated, which have been hitherto annually withdrawn hence, to swell the wealth of a country whose capital is already excessive; and, that while thus benefitting every Canadian interest, they had reasonable grounds for expecting that they would be enabled, by the mere difference in the rate of investment, to reduce the cost of Assurance about 40 per cent.

Other strong arguments were adduced, and the meeting, which was both numerously and respectably attended, cordially supported resolutions declaring the formation of the CANADA LIFE ASSURANCE COMPANY, for the Assurance of lives, and all other business usually transacted by Life Assurance and Annuity Companies; the Capital to consist of 500 shares, of £100 each, and to be conducted under a deed of co-partnery until a Charter should be obtained.

A large and influential Provisional Committee was chosen to make all the necessary arrangements, and generally to act until the regular election of a Board of Directors.

After public notice very generally given throughout the Province, the books of subscription for the stock were opened upon the 4th October, 1847, subject to an individual limit of 10 shares until the first 400 were subscribed, and 5 shares for the remainder; the whole number were subscribed upon that day, and the deposit of £1 per share paid.

Upon the 11th day of the same month the shareholders assembled, pursuant to public notice, and by ballot proceeded to the election of a Board of 20 Directors, who have since had the whole management of the affairs of the Company.

PROGRESS OF THE COMPANY.

The Provisional Committee having issued a Preliminary Prospectus, and otherwise exerted themselves, the Board of Directors were enabled to issue the first Policy on the 29th October, 1847, from which date a steady business has been obtained, creating in six months an issue of 117 Policies, which cover the large sum of £48,200, and give the Company an annual revenue from premiums of £1,350 16s. 9d.

This business, the result of individual exertion, has been confined to but few places in comparison to the noble field the Company proposes to fill. Policies have been issued eastward as far as Quebec, and westward to Port Sarnia;

but so great is the deficiency of information upon the subject, that the Directors can hardly be said to have made more than a partial commencement, yet they have every reason to be truly gratified with the extent of their success, which will well bear exact comparison with the early efforts of very many now flourishing British Companies. They have also had to contend against the exertions of numerous Agents of old and apparently wealthy British Companies, who have, in addition to their individual activity and energy, been aided by a rather lavish expenditure in advertisements, &c., and by the influence of many leading citizens, who have perhaps inadvertently been led to think disparagingly of a Provincial office.

From these gentlemen, and others who may hold similar opinions, the Directors request a careful perusal of the preceding Lecture, and a comparison of the progress made by this Company and that of *any* British Company at an equally early stage.

The following table of the gradual progress of the business of the SCOTTISH PROVIDENT INSTITUTION may be fairly taken for comparison, as the extent of business transacted by this Society has been an annual cause of congratulation on the part of its chief supporters, even amidst a population where Life Assurance is generally practised, and its principles well understood.

	No. of Policies opened.	Amount of New Assurance.	Annual Prem'm on these	Amount of claims Emerg'g by Death
For the six Months ending 31st December, - - - 1837	70	£ 22,047	£ 466	none
For the year ending 31st Dec. 1838	112	38,614	1,064	none
" " " 1839	202	86,335	2,380	£2,100
" " " 1840	278	134,245	2,622	1,400
" " " 1841	306	140,141	3,699	550
" " " 1842	254	113,905	3,203	4,050
" " " 1843	256	126,530	3,348	6,600
" " " 1844	310	127,645	3,510	3,700
" " " 1845	348	153,437	4,090	5,000
" " " 1846	416	*		
" " " 1847	472	213,631	6,171	17,800

* No statement received.

The Report for the year, ending the 31st December last, states the amount of Assurances existing to be £1,137,657; giving an income from Premiums of £31,344, and an accumulated fund of nearly £100,000; and this, it should be observed, is the progress of a company established upon the *Mutual* principle, and consequently unaided from the first by any *Capital*, or *Guarantee*.

In drawing any comparison, favourable as it must be to the CANADA LIFE ASSURANCE COMPANY, the Directors feel that it would have been yet more favourable had they not so rigidly adhered to a very economical system of management, and also had the financial affairs of the Province been in a less straitened and embarrassed condition.

The Company has so far been fortunate enough to meet with no loss, and the Directors are able to add, that the weekly average of business is decidedly improving.

THE DEED OF SETTLEMENT,

Dated the 1st January, 1848, provides amongst other things—

That the unpaid portion of the Capital Stock shall be paid to Trustees in such instalments as the Directors may determine upon, provided two months notice shall be given to each Shareholder by circular, or by advertisement in the *Canada Gazette*, and one newspaper published in the City of Hamilton.

That in all general, or special meetings of the Company each share shall entitle the holder to a separate vote; that Shareholders may appoint other Shareholders to act in their stead, but that no Shareholder, acting as a Proxy, shall cast more than forty votes, and that no appointment, as proxy, shall be valid for more than one year.

That no transfer of Stock can be made until all calls previously agreed upon in respect to it are paid; that the registered holder at the time of making the call is liable for its payment; and that no transfer of shares shall be completed, or new member admitted, until approved of by a majority of the Directors.

That a General Meeting of the Shareholders shall be held in Hamilton, on the first Tuesday in August, in each year, at which an election by ballot shall take place to fill all the vacancies which may then occur in the Board of Directors; and an annual statement of the affairs of the Company shall be submitted.

That at all meetings of the Company all questions shall be decided by a majority of the Proprietors present, either in person, or by proxy, but that in case of an equality of votes, the Chairman shall have a casting vote in addition to his vote as a member.

That the whole management of the Company, subject to the control of the Proprietors at any general meeting, shall be entrusted to a Board of twenty Directors, who must be elected from the Shareholders, and who shall at their first meeting each year choose from amongst themselves a President and Vice-President. Five Directors shall form a quorum.

That the five Directors who stand first in the list shall go out annually at the general meeting, and the Shareholders elected to replace them shall be placed at the bottom of the list, and that the retiring Directors shall be eligible for re-election.

That the Directors shall, at an extraordinary Board to be called for the purpose, appoint Interim Directors to fill any vacancy which may from time to time occur; such appointment to be valid only until the next general meeting, when the vacancy shall be filled by the Stockholders for the remainder of the term of the retiring or deceased Director.

That the Board of Directors shall from time to time choose five persons as Trustees; that all contracts and securities shall be entered into, or taken in their names, or the names of any three of them; and that all Policies, or other instruments, shall be executed by any three of them.

That the Funds of the Company may be invested in Provincial or Government Debentures, the stocks of Chartered Banks, or other Chartered Companies, Debentures of Incorporated Towns, Cities or Municipal Districts, Mort-

gages upon Real Estate, with additional personal security the purchases of Mortgages and Bonds, or in such othe manner as a majority of the Directors for the time being shall think advisable; with full power to sell, dispose o call in and re-invest, in the same manner from time t time.

That for the first two years no dividend of interest profit shall be made, but, after defraying expenses, th same shall be retained to answer contingencies. After wards the Directors may allot and divide among the Assu rers upon the participation scale, 75 per cent. of the profi realized from that Branch; and may declare dividends fro the profits in proportion to the shares held by the Member or may lay aside and accumulate such a portion of t same as they may deem advisable.

That the Deed of Settlement, and all rules and regul tions relative to the management of the Company, shall b open at all seasonable times to the inspection of each mem ber, in the presence of a Director or superior officer.

TABLE

OF ANNUAL PREMIUMS TO ASSURE £100 UPON A SINGLE LIFE.

Age next Birthday.	For Life: Without Profits.			For Life: With Profits.			On the Half Credit System. Age.	Whole Premium for Life.			Half Premium for First Sev'n Years.		
	£	s.	d.	£	s.	d.		£	s.	d.	£	s.	d.
15	1	6	5	1	13	1							
16	1	7	1	1	13	11							
17	1	7	9	1	14	8							
18	1	8	5	1	15	6							
19	1	9	2	1	16	5							
20	1	9	11	1	17	4							
21	1	10	9	1	18	4	21	1	13	4	0	16	8
22	1	11	7	1	19	4	22	1	14	4	0	17	2
23	1	12	6	2	0	5	23	1	15	4	0	17	8
24	1	13	6	2	1	7	24	1	16	4	0	18	2
25	1	14	7	2	2	9	25	1	17	6	0	18	9
26	1	15	8	2	4	0	26	1	18	4	0	19	2
27	1	16	10	2	5	4	27	1	19	8	0	19	10
28	1	18	0	2	6	8	28	2	0	10	1	0	5
29	1	19	4	2	8	0	29	2	1	6	1	0	9
30	2	0	2	2	9	3	30	2	2	6	1	1	3
31	2	1	3	2	10	7	31	2	3	8	1	1	10
32	2	2	4	2	11	1	32	2	4	8	1	2	4
33	2	3	7	2	13	5	33	2	6	2	1	3	1
34	2	4	1	2	14	11	34	2	7	8	1	3	10
35	2	6	4	2	16	7	35	2	9	2	1	4	7
36	2	7	10	2	18	4	36	2	10	4	1	5	2
37	2	9	5	3	0	2	37	2	12	0	1	6	0
38	2	11	1	3	2	1	38	2	13	10	1	6	11
39	2	12	10	3	4	1	39	2	15	8	1	7	10
40	2	14	8	3	6	2	40	2	17	6	1	8	9
41	2	16	5	3	8	3	41	2	19	4	1	9	8
42	2	18	2	3	10	4	42	3	1	2	1	10	7
43	3	0	0	3	12	5	43	3	3	0	1	11	6
44	3	1	11	3	14	8	44	3	5	2	1	12	7
45	3	4	0	3	17	1	45	3	7	4	1	13	8
46	3	6	3	3	19	9	46	3	9	0	1	14	6
47	3	8	8	4	2	6	47	3	11	8	1	15	10
48	3	11	5	4	5	8	48	3	14	6	1	17	3
49	3	14	6	4	9	2	49	3	17	8	1	18	10
50	3	17	11	4	13	1	50	4	1	4	2	0	8
51	4	1	9	4	17	4	51	4	4	8	2	2	4
52	4	5	10	5	2	0	52	4	8	10	2	4	5
53	4	10	3	5	6	10	53	4	13	4	2	6	8
54	4	14	11	5	12	0	54	4	18	2	2	9	1
25	4	19	11	5	17	8	55	5	3	4	2	11	8
56	5	5	5	6	3	8	56	5	8	2	2	14	1
57	5	11	3	6	10	2	57	5	14	2	2	17	1
58	5	17	6	6	17	1	58	6	0	6	3	0	3
59	6	3	9	7	4	0	59	6	7	0	3	3	6
60	6	9	11	7	10	10	30	6	13	2	3	6	7

In addition to the preceding Tables, the Company is prepared to transact all other business falling within the scope of Life Assurance and Annuities; and although the other Tables are not prepared, the scale for their calculation has been determined upon, and no delay will take place in effecting Assurances, either upon Joint Lives, or Survivorships, Endowments, Endowment Assurances, or the purchase of Deferred Annuities, and other deferred benefits.

Tables have also been calculated upon the system of DECREASING TEMPORARY ASSURANCE, for the purpose of aiding such members of well-managed Building Societies as may have become borrowers. It may be presumed that the greater number of them propose to continue their monthly payments from their yearly income, and that should death intervene, their property might be sacrificed to complete the payments. To protect the mortgaged property, this Company offers a Policy guaranteeing the completion of all payments which may fall due after the death of the applicant; and thus absolutely freeing the property from subsequent liability to the Building Society.

SPECIMEN OF THE RATES FOR EACH BORROWED SHARE.

Age.	*Single Payment.*	*Yearly Prem.*
25 - - -	£4 17 7	£0 14 2
35 - - -	6 11 2	0 19 5
45 - - -	8 9 3	1 5 2
55 - - -	13 5 8	2 0 8

The same system can be applied, with great advantage to the protection of any property, in respect to which an annual, or other periodical payment, is promised.

DESCRIPTION OF THE TABLES.

The first column, or scale for Life *without participation* is prepared for the use of those who desire to secure a Policy payable at death, for any certain sum, and by the payment of a steady premium; and who may prefer

be uninterested in the possible fluctuations of the future business of the Company. It will be found, on comparison, to be from 10 to 15 per cent. lower than the average rates of British offices—a reduction which, it is believed, a little experience will justify being increased, in which all existing Assurers will be admitted to share. The Deed of Settlement guarantees to the Assured, under this head, the security of the subscribed capital of £50,000, in addition to the accumulations arising from the income from the premiums.

The second column, or scale for Life *with participation*, is prepared for all who may desire to Assure upon the most equitable terms, and with no more ultimate cost than the real decrement of the Assured members, and the needful expenses render necessary. It is at present retained at the average rate of other Companies; but the return of profits, as hereafter explained, will, should the value of Life in Canada prove equal to that assumed (the Carlisle Tables), reduce these rates about 40 per cent.

The Half Credit System has been prepared to meet the wants of those, who, from various causes, desire to Assure at the smallest present outlay. Credit is granted, *secured upon the Policy alone*, for one-half of the first seven yearly premiums, the Assured paying interest yearly upon the amount of the debt thus created, until he either pays up the amount, or relinquishes the Policy. It thus enables a person, for a few years, to Assure for DOUBLE the sum he could obtain by a similar payment upon any other system; and should his purpose be served, the Policy can be relinquished without any sacrifice. It is, without exception, the system best suited to all who desire a *Temporary Assurance*, whether for one or more years, as the real cost is even less than the short term rates of most offices; and it includes the great benefit of the right of continuance throughout Life, *without* a new examination, (thus, perhaps, in impaired health,) and without any increase of the premium, which was computed at the age of entrance.

It is further proposed, that the Assurer upon this system

shall, so soon as he cancels the debt upon the Policy, be permitted to change, at a fair valuation, to the regular rates FOR LIFE, either with, or without a participation, in the profits of the Company.

CONDITIONS OF ASSURANCE.

(ENDORSED UPON EACH POLICY.)

This Policy will become void if the Premium remains unpaid beyond thirty days after it becomes due; while, if the Premium is not paid within the first ten days of such default, a Fine of two shillings and six pence per cent. upon the sum Assured, will be imposed. This Policy may, however, be revived at any period within six months, provided proof satisfactory to the Directors be furnished that the party or parties assured continue in good health, and that a fine of ten shillings per cent. on the sum assured be paid; or within twelve months, upon similar proof, at a fine of twenty shillings per cent.; or the privilege of receiving a Policy for Life, for the equitable value of the Assured's past payment's, considered in reference to his present state of health, will be open to the Assured for the same period.

This Policy will also become void under any of the following circumstances:—

I.—If the party whose Life has been Assured shall die upon the seas, or subsequently from injuries received in any voyage thereon, (except in passing in first class vessels from any one port of Europe to another, or from any one port of North America northward of the 38th degree of North latitude, to any other port within the same limits) unless the Party shall have paid the Premium upon the sum assured for the sea risk, at the rate then in use in the said Company.

II.—Or, if the party whose Life has been Assured shall without the previous consent in writing of the Board of Directors, enter into or engage in any Military or Naval service whatever, or shall engage in navigating the seas, lakes, or rivers.

on the Policy, be
on, to the regula
a participation, in

RANCE.
r.)
Premium remains
nes due; while, i
ten days of such
x pence per cent
sed. This Policy
within six months
ctors be furnished
ue in good health
cent. on the sum
nths, upon simila
per cent.; or the
, for the equitable
t's, considered i
will be open to th

under any of the

Assured shall di
juries received i
n first class vesse
or from any on
he 38th degree
he same limits) o
remium upon th
then in use in th

been Assured shal
g of the Board o
Military or Nav
vigating the sea

III.—Or if the party whose Life has been Assured shall proceed beyond the limit of Europe or British North America, or that part of the United States of America situated to the northward of the 38th degree of North latitude, unless license shall have been first obtained in writing from the Board of Directors, provided that he is hereby permitted to *travel*, though not to reside permanently, in that part of the United States of America situated between the 38th aad 35th degree of North latitude.

IV.—Or if the person having Assured his or her Life, shall die by the act of self-destruction, whether such act shall be in law felonious or otherwise, and whether such person shall be of unsound mind or otherwise, at the time committing the same; or shall die by the hands of justice, in consequence of a duel; in any of which cases, however, if there shall be no other circumstance which would have invalidated the Policy, the legal personal representatives of the deceased will, on relinquishing the Policy, be entitled to receive a sum equal to the amount which would have been paid by the Company for the purchase of the Policy on the day before such decease. But if any person or persons, *other than a Trustee or Trustees for the Assured, or for the Husband, Wife, or Family* of the Assured, shall have acquired a *bonâ fide* interest in the Policy, by assignment or under an equitable lien; in that case, the sum assured to the extent of, but not exceeding, the amount due under such assignment or equitable lien, will be fully paid, when established to the satisfaction of the Directors; provided such assignment, or other transfer, shall have been made and notified to the Directors, at least months previous to the date of the decease of the party.

V.—The paid-up Capital and accumulated Premiums and profits of the Company for the time being remaining unapplied and undisposed of, and inapplicable to prior claims and demands, in pursuance of the trust, power, and authority of the Company's Deed of Settlement, shall alone first be answerable for the claims and demands of the

Assured and the Creditors; and the Trustees signing t
Policies or Instruments, are to be personally liable to t
person to whom the Policy shall be given for the appli
tion of the said paid-up capital and accumulated Premiu
and profits of the Company, in discharge of the mon
secured by the said Policies, and not further or otherwi
and that neither in respect to the persons claiming und
the said Policies, or in respect to the Trustees who m
have signed Policies, or any of their heirs, executors
administrators, shall the Stockholders of the said Compa
be answerable, indirectly or directly, further or otherwi
beyond the amount of the unpaid part for the time being
his or her share or shares in the Company's said Capital
Fifty Thousand Pounds; it being the true intent and mea
ing of these Presents that no claim upon any Policy,
upon any Instrument, shall be enforced against any one
more of the Trustees, his or their heirs, executors, adm
istrators or assigns, to a greater extent than the funds a
property of the Company, at the time of the recovery up
such Policy, shall be competent to reimburse him or the
anything in these Presents to the contrary thereof in an
wise notwithstanding.

The Company will in all cases require proof of the A
of the person whose Life is Assured, before payment
the Policy, unless that fact shall have been previous
ascertained and admitted by endorsement on the same.

[NOTE.—The holders of Policies are requested
observe that no time should be lost in obtaining this adm
sion, it being of course much easier for the party hims
than for his executors to supply the necessary informati
If he cannot furnish a copy of his Parish Registry,
should send forward the best testimony within his reac

Upon the death of the party Assured, the Claimant sha
if required, make satisfactory proof thereof to the Dire
ors; and also of the time and manner of such deat
together with such other information respecting the disea
or other occasion of death as may be required. All clai

rustees signing
sonally liable to
ven for the appli
cumulated Premiu
harge of the mon
further or otherwi
ons claiming un
Trustees who m
heirs, executors
of the said Compa
further or otherwi
for the time being
any's said Capital
rue intent and mea
pon any Policy,
d against any one
s, executors, adm
than the funds a
of the recovery up
mburse him or the
rary thereof in a

ire proof of the A
before payment
ve been previous
ent on the same.

are requested
btaining this adm
or the party hims
ce.sary informati
Parish Registry,
within his reac
the Claimant sha
ereof to the Dire
er of such deat
specting the disea
equired. All clai

ill be paid within three calendar months from proof of such claim to the satisfaction of the Directors.

If any difference arise with regard to a Policy, such difference shall, at the option of the Claimant upon such Policy, be submitted to the arbitration of two persons, (one to be appointed by the Trustees, and the other by the Claimant) whose award, or that of the Umpire named, shall be conclusive.

It shall also be lawful for the said Board of Directors, upon satisfactory evidence being furnished to them, that the Party Assured has, after obtaining a Policy upon his or her own Life, abandoned himself or herself to the use of fermented liquors, to such a degree as shall render him or her an habitual or confirmed drunkard, to recall the Policy granted to him or her, paying to the legal holder of the same the full value thereof; provided further, that this clause shall be null as respects any Policy which may have been duly assigned for a valuable consideration, and such assignment notified to the Board for a period of six calendar months.

RULES AND REGULATIONS.

Assurances will be granted on a single life, for any sum from £50 to £1,000, and upon two or more lives, to £5,000. The lives of females will be assured at one year below the actual age. The medical fee for examination will in all cases be paid by the Company, and no STAMP DUTY will be required, or entrance fee, except from Assurers upon the "half credit system," when 5s. or one-fourth per cent, upon the sum assured, will be charged; but this will be returned with interest to any such Assurer, upon the payment of his first WHOLE premium.

On the 15th February, 1848, a resolution was passed, suspending the charges for sea risks, as respects all voyages in first-class Steam, or Sailing Ships, between any two ports within the American or European residence limits of the Company.

All applications for Assurance shall, with the accompa-

nying papers, be submitted to an Examining Committee of Seven Directors, (three of whom form a quorum,) who meet weekly on Tuesdays at 9 A. M., and who have power to reject, postpone, or recommend them to the Board for acceptance; thus saving the necessity of placing the examination papers before the Board of Directors.

The Board meets weekly on Tuesdays, at 4 P. M., for the acceptance of such applications as the Examining Committee may have recommended, and the transaction of the general business of the Company. A weekly report of the position of the Company is also prepared and submitted.

Any party dissatisfied with the decision of the Examining Committee, may appeal to the Board of Directors when the papers will be carefully examined and decided upon by them.

All monies received are daily deposited in the Bank and cannot be drawn thence without the signature of the President, (or in his absence the Vice President,) and one other Director, countersigned by the Secretary.

Until an Act of Incorporation is obtained, all the investments for the benefit of the Company are and must be made in the joint names of the 5 Trustees, but subject to the control of any three of them; while all the Policies, and other instruments, will be signed by 3 of the Trustees, so that should the Directors ever feel themselves justified in withholding payment of a Policy, the holder of the same may, if he declines arbitration, commence proceedings against the three gentlemen individually, who may have signed the Policy, when the points in dispute will be settled in due course, and an adverse verdict will bind the Company.

No connection with any other Company, or any business save Life Assurance and its legitimate branches, will be permitted.

PAYMENT OF THE PREMIUMS.

The Premiums for Life, *with*, or *without* participation in

amining Committe
rm a quorum,) wh
M., and who hav
mend them to th
necessity of placi
rd of Directors.
ys, at 4 P. M., f
as the Examini
and the transacti
pany. A week
y is also prepare

sion of the Exami
Board of Directo
mined and decid

osited in the Ban
the signature of t
President,) and o
ecretary.
ned, all the inve
y are and must
stees, but subject
all the Policies,
of the Trustees,
hemselves justifi
the holder of t
ommence proceed
vidually, who ma
s in dispute will
erdict will bind th

pany, or any bus
nate branches, wi

MIUMS.
out participation i

e profits, may be paid in quarterly or half-yearly instalments, with the understanding, that should death occur in any year before the payment of all the instalments, those maining unpaid shall be deducted from the Policy.

The half-yearly payment of the premium upon the *half-dit* system will be also permitted upon a similar con-ion, provided the whole year's premium amounts to £10.

The Premium to Assure *for Life without participation* y also be paid in a single payment; or it may be cal-ulated as a gradually *increasing*, or *decreasing*, premium; or *increasing*, or *decreasing*, in stated periods of five or more years. The increasing system is well suited to those o starting in life, are entitled to look forward to a dual increase of income, and who will naturally find ascending scale of Premiums more convenient.

SURRENDER OF POLICIES.

No obligation exists, upon the part of any Assurer, to tinue the payment of his Premium, the contract being his part an annual one; but if his Policy has been taken FOR LIFE, and no credit claimed upon it, it is of value m the first, and the Directors are pledged to purchase it, required, after a duration of five years. They are also nd, should he desire to discontinue his payments, to nt him a Policy, payable at death (without any further im for Premiums,) for a sum which will equitably resent the value of his past payments, deferred until th.

The sum that the Directors will give for a Policy offered hem for sale, cannot be stated at present. It will not y much, in the first half of the *expectation* of any one, m a moiety of the amount of Premiums paid; and will calculated by deducting from the amount of the Pre-ums—the value of the risk incurred by the Company, expenses, and the share of profits returned to the sured.

DISTRIBUTION OF PROFITS.

The Directors have adopted an annual investigation of the affairs of the Company, being more conducive to safety especially as some doubt exists in respect to the value of life.

This examination will be made to the 1st day of May in each year, and the result will be incorporated in the annual report of the succeeding August, when it will be immediately communicated to every Shareholder, and participating Assurer. A separate account will be kept to include all the business transacted with Assurers upon the participating scale, which will be credited, as interest upon its accumulating funds, with the averaged rate realized on all the investments of the Company; and charged with its equitable share of the expenses of management, and the losses by death properly belonging to it. Of the profits which may be then found to remain, *one-fourth* will be carried to the credit of the Shareholders, as remuneration for the use of their capital, and guarantee, (which is always responsible to the Assurers upon this system, over and above the sums realized from the accumulated Premiums,) and the other *three-fourths* will remain to be divided among the Assured, in proportion to the Premiums received.

These profits will be declared in CASH; but the Assurer will have the option of signifying *beforehand* his preference to receive his profits, either in permanent equivalent reduction of all his future Premiums, or in the addition of the deferred value to his Policy, as a Bonus payable at death.

AS AN EXAMPLE:—Suppose two Policies taken out in 1848 for £1000 each, by parties aged respectively 25 and 40, and that the profits to be divided for the year amount to but 20 per cent.

The one aged 25 having paid	£21	7
will be entitled to receive in Cash.....	4	5
or be allowed a permanent future reduction on his Premium of.....		5
or a Bonus addition, payable at death, of....	18	13

FITS.

al investigation
onducive to safety
ct to the value

e 1st day of Ma
ncorporated in th
t, when it will b
Shareholder, a
unt will be kept
Assurers upon th
ed, as interest up
ted rate realized t
nd charged with i
nagement, and th
o it. Of the profi
one-fourth will b
s, as remuneratio
e, (which is alway
system, over an
nulated Premiums
be divided among
ums received.
n ; but the Assure
hand his preferenc
nt equivalent reduc
the addition of th
s payable at death
licies taken out i
espectively 25 an
r the year amou

.....£21 7
..... 4 5
ction on
..... 5
, of.... 18 13

he one aged 40 having paid..... 33 1 8
may receive in Cash..... 6 12 4
or an annual reduction of Premium of..... 10 0
or, by Bonus, payable at death..... 20 11 5

In deciding upon the system of allottment, the Directors ve been induced to view the profits thus earned, as of somewhat different character to the profits of a British ce. They believe that they would be safe in reducing scale of premiums very materially, but prefer for the sent to retain them at a rate which they feel sure will ltimately prove too high. In doing this, it is evident, that greater portion of the profits which will arise may be nsidered in the light of a previous excess of charge, and t the most equitable apportionment will be to allot them uch parties as have already paid that excess, not as in greater number of Companies, retaining them for divi- n at distant and stated periods among the survivors of a tain term of years.

It is justly argued by some Companies, the Scottish Pro- ent Institution, the Mutual Life Assurance Society of ndon, and others, that it seems unreasonable to return to heirs of a person who may die within a short period of date of his Policy, a Bonus, or Sum under the name of fit, while at the same time the Company has by his early th suffered a clear and heavy loss ; this error they have eavoured to correct by the introduction of a system ich divides all the profits realized amongst those only o may have been a profit to the Company, i. e.: those o may survive the period when their Premiums, accu- lated at the average rate of interest obtained by the mpany, would of themselves reach to the amount secured the Policy. Much can be said in favour of the equity his plan, and it includes a two-fold advantage, for while ffers less inducements than other systems for the intro- tion of self-acknowledged doubtful lives, it also offers greatest prospect of benefit to those who are confident of ir own perfect health.

To be equitable, however, the scale of Premiums for

such a system must be but slightly above the truth, for t
the necessary data is yet wanting; but as soon as sufficie
experience has been obtained, the Directors propose
frame a set of tables, and establish a distinct Branch of t
business upon this footing, for the adoption of those
may upon reflection agree in its approval.

EXAMPLES.

The following examples will more clearly show
great variety of application, and the practical advanta
of Life Assurance:—

LIFE ASSURANCE.—A person aged 24 (next birthda
can secure to his heirs *whenever he may die*, the sum
£1,000, by the payment of £16 15 yearly, £8 11 8 h
yearly, or £4 7 6 quarterly.

A person of the same age, can secure a similar paym
whenever he may die, by the payment of £20 15 10 yea
£10 12 6 half-yearly, or £5 8 4 quarterly; with a sh
in the profits of the Company for every year he may
vive, which, if chosen as a Bonus payable at death,
most materially increase the amount of Policy; or if
ferred as a reduction of future premiums, will ultima
do away with the payment altogether.

At the same age, the sum of £1,000 can be secured u
the HALF CREDIT SYSTEM, by the payment of £9
yearly, or £4 13 4 half-yearly, for seven years, with
annual increase of 10s. 11d, for the interest upon
credit granted upon the Policy; and should the he
remain good, the Policy can be relinquished, and a
one taken out upon the same favorable system, at the
mium of the increased age.

JOINT LIVES.—Two persons aged 23 and 22 respectiv
can secure the sum of £1,000 at the death of *either*, by
annual payment of £27 3 4; and at the death of the
vivor, or the last of the two; by a yearly payment of £8 1

bove the truth, for t
ut as soon as sufficie
Directors propose
distinct Branch of th
adoption of those w
roval.

ore clearly show
practical advanta

d 24 (next birthda
e may die, the sum
yearly, £8 11 8 h

cure a similar paym
t of £20 15 10 yea
uarterly; with a sh
very year he may
payable at death,
nt of Policy; or if p
niums, will ultima
er.

00 can be secured u
payment of £9 1
seven years, with
he interest upon
nd should the he
nquished, and a n
ble system, at the p

23 and 22 respective
death of *either*, by
t the death of the s
ly payment of £8 1

SURVIVORSHIPS.—For the yearly payment of £11 17 6, sum of £500 can be secured, payable at the death of a son aged 40, provided another aged 30 survives him.

ENDOWMENT.—A Father can secure for a Child now er one year old, the sum of £100, upon his attaining 21, a yearly payment of £2 11 4.

ENDOWMENT ASSURANCE.—A person aged 30 can, by an nual payment of £12 7 11, secure the sum of £500 to heirs at his death; and should he attain the age of 65, will be immediately payable to *himself*.

IMMEDIATE ANNUITIES.—A gentleman aged 57 depositing £500 with the Company, will receive annually during he remainder of his life £51 3 4.

DEFERRED ANNUITIES.—A person aged 25 can secure Annuity of £50, to commence on his reaching 50, by er a payment down of £128 15s. 2d., or by an annual yment of £9 10s. 8d.

REDEEMABLE ANNUITY.—A person desirous of investing oney at good interest, and on real estate security, can rchase Annuities secured by mortgage. Thus, for £400 Annuity of £45 14s. 7d. on a life of 30 can be bought, the holder of the Annuity deed can absolutely secure principal by assuring the life for the full sum, at a arly cost of £8 0s. 8d., leaving him in receipt of the net m of £37 13s. 11d. as interest for his money; and ould the grantor of the deed desire to redeem, the money eived back from him will, together with the sum the licy will sell for, exceed the original sum advanced.

MARRIAGE SETTLEMENTS.—A merchant, aged 25, who s married a lady with a portion of £1000, is desirous of mploying the chief part of this money in his business, nd his wife's trustees are ready to consent, provided they n secure the money ultimately to the children. They n accomplish this with ease by assuring the life of the sband for £750, and retaining £250 invested in good curity to provide an income sufficient to keep up the gular payment of the yearly premium of £12 19s. 5d.; ey can advance the remaining £750 to the husband, as

at his death the £1000 would be made good by the amou of the Policy.

Debt Security.—A gentleman who is in the receipt a good income, finds himself deeply involved, but he happily surrounded by friends who are ready to aid hi provided he can secure them from ultimate loss. Let h age be 40, and the debt £5000. An assignment of £1 13s. 4d. out of his income will secure a Life Policy for th sum, and he will be free to pay off the debt with intere as his income will permit, while his friends will be ful protected from all risk.

Security for Mortgaged Property.—A gentlema aged 30, who is under engagement to pay a mortga upon his property of £500, in ten yearly instalments £50 each, can, by a payment of £28 18s. in hand, £3 17s. 9d. yearly for the ten years, obtain a Poli guaranteeing the punctual payment of all the instalme falling due from the date of his decease.

Building Societies.—The holder of 5 Borrowed Shar (£500), aged 40, can, for £40 9s. 7d. paid down, or yearly Premium, secure the completion of all the payme which may fall due after his death: while, if he has borrowed, the same security can be obtained for £20 18s. in one sum, or £3 2s. 1d. yearly.

Any further information, together with the forms application required to be filled up in all cases but Annu ties, can be obtained at the Office of the Company, or fr any of the local Agents.

e good by the amou

no is in the receipt
involved, but he
are ready to aid hi
ltimate loss. Let h
assignment of £1
a Life Policy for th
he debt with intere
s friends will be ful

ERTY.—A gentlema
nt to pay a mortga
yearly instalments
£28 18s. in hand,
ears, obtain a Poli
of all the instalme
ase.
of 5 Borrowed Sha
7d. paid down, or
ion of all the payme
while, if he has
btained for £20 18s.

er with the forms
n all cases but Ann
f the Company, or fr